



United States Government

Department of Energy

Office of Inspector General

Memorandum

DATE: FEB 18 2005

Audit Report No.: OAS-L-05-03

REPLY TO
ATTN OF: IG-34 (A04NE005)

SUBJECT: Audit of the Office of Science Security Procedures

TO: Director, Office of Science, SC-1

INTRODUCTION AND OBJECTIVE

The U.S. Department of Energy's (Department) Office of Science (Science) is the single largest supporter of basic research in the physical sciences in the United States, providing more than 40 percent of total funding for this vital area of national importance. It oversees and is the principal Federal funding agency of the Nation's research programs in high energy physics, nuclear physics, and fusion energy sciences. Science plays a critical role in advancing and underpinning the national security, economic security, and energy security of the United States.

The safeguards and security mission of Science is to ensure that appropriate levels of protection exist to prevent unauthorized access, theft, diversion, loss of custody or destruction of assets and hostile acts that may cause adverse impacts on fundamental science, national security or the health and safety of Federal and contractor employees, the public or the environment. The objective of our audit was to determine whether physical security measures were adequate to identify and address potential security threats at Office of Science sites.

CONCLUSIONS AND OBSERVATIONS

At the time of our review, we found that Science had not conducted threat and risk level assessments to address heightened security risks since the events of September 11, 2001. For example, we noted that Science managed sites and facilities had not completed site surveys necessary to respond to the Department's May 2003 Design Basis Threat (DBT) requirements. DBT activities, implemented through contractor self-assessments and field office comprehensive surveys, are intended to provide the foundation for all of the Department's protective strategies. Although the Department's DBT guidance was issued in May 2003, as of July 2004, the majority of the required periodic site surveys had not been completed.

We also observed that site security plans, developed by each site to depict the existing condition of safeguards and security site-wide, site specific characteristics, security interests, the general threat, and graded protection strategies, were not always up-to-date. In particular, four of the six site security plans we reviewed were completed prior to the issuance of the May 2003 DBT guidance.

After we completed our site visits we learned that Science has initiated action to reassess the threat level and risk at their laboratory sites based on the May 2003 DBT guidance. For example, a site review was recently completed for the Argonne National Laboratory-East. Sites are also in the process of initiating action in response to the new DBT policy issued by the Deputy Secretary in October 2004, that addresses additional threat levels, including those related to biosafety class facilities and toxic industrial chemicals. Currently, site managers have until December 2005 to submit a recommended threat level for each science facility.

In light of these recent actions taken by Science and the issuance of the October 2004 policy addressing additional threat levels, we have elected to discontinue this audit. Depending on progress in this area and our on-going risk assessment process, we may choose to conduct additional audit work at a later date.

Since no recommendations are being made in this report, a formal response is not required. We appreciated the cooperation of your staff throughout the audit.



Rickey R. Hass, Director
Science, Energy, Technology
and Financial Audits
Office of Audit Services
Office of Inspector General

Attachment

cc: Team Leader, Audit Liaison, ME-100
Audit Liaison, SC-67

METHODOLOGY

To accomplish the audit objective, we:

- Reviewed laws, regulations, policies and procedures relevant to physical security at the Department's Office of Science sites;
- Reviewed site security plans, other security related documents, and site specific guidance where available;
- Held discussions with Headquarters program officials regarding Office of Science physical security at the Department;
- Held discussions with officials from Brookhaven National Laboratory, Argonne National Laboratory, and Fermi National Accelerator Laboratory regarding physical security at the individual sites; and,
- Held discussions with local law enforcement officials from jurisdictions surrounding the laboratory sites regarding local threats.

We conducted the audit according to generally accepted Government auditing standards for performance audits and included tests for internal controls and compliance with laws and regulations to the extent necessary to satisfy the audit objective. We also assessed performance measures in accordance with the *Government Performance and Results Act of 1993* regarding the Department's physical security. Because our review was limited, it would not necessarily have disclosed all internal control deficiencies that may have existed at the time of our audit. We did not rely on computer processed data to accomplish our audit objective.

Management waived the exit conference.

Memorandum

DATE: FEB 23 2005
REPLY TO:
ATTN OF: IG-34 (A04NE005)
SUBJECT: Final Report Package for "Audit of the Office of Science Security Procedures"
Audit Report Number: OAS-L-05-03
TO: George W. Collard, Assistant Inspector General for Audit Operations

Attached is the required final report package on the subject audit. The pertinent details are:

1. Actual Staff days: 372
Actual Elapsed days: 310
Actual Elapsed days less Suspended days: 165
2. Names of OIG and/or contractor audit staff:
Assistant Director: George Collard
Team Leader: Darryl Wittenburg
Auditor-in-Charge: Veronica Rutt
Audit Staff: Tom Barwatt
3. Coordination with Investigations and Inspections:
Investigations: Brenda Froberg
April 5, 2004
Inspections: Geoff Gray
April 5, 2004



Rickey R. Hass, Director
Science, Energy, Technology,
and Financial Audits Division
Office of Audit Services
Office of Inspector General

- Attachments:
1. Final Report
 2. Monetary Impact Report
 3. Audit Project Summary Report
 4. Audit Database Information Sheet

MONETARY IMPACT OF REPORT NO.: OAS-L-05-03

- 1. Title of Audit: Audit of the Office of Science Security Procedures
- 2. Division: Science, Energy, Technology, and Financial Audits Division
- 3. Project No.: A04NE005
- 4. Type of Audit:

Financial: _____ Performance: X
 Financial Statement _____ Economy and Efficiency X
 Financial Related _____ Program Results _____
 Other (specify type): _____

5. Please report monetary savings identified in the report using applicable columns. Provide additional explanations of audited activities/locations in Section No. 6 - Remarks.

FINDING		COST AVOIDANCE		QUESTIONED COSTS				MGT. POSITION	POTENTIAL BUDGET IMPACT
(A)	(B) Title	(C) One Time	(D) Recurring Amount Per Year	(E) Questioned	(F) Unsup-ported	(G) Unre-solved	(H) Total (E)+(F)+(G)	(I) C=Concur N=Noncon U=Undec	(J) Y=Yes N=No
	N/A								
TOTALS--ALL FINDINGS									

6. Remarks: In light of recent actions and the issuance of the October 2004 policy addressing additional threat levels, we have elected to discontinue this audit.

7. Contractor: N/A 10. Approvals: _____
 8. Contract No.: N/A Division Director/Date: [Signature] 2/23/05
 9. Task Order No.: N/A Technical Advisor & Date: [Signature]

Office of the Inspector General (OIG)
 Audit Project Office Summary (APS)

Report run on: February 22, 2005 3:47 PM

Audit#: A04NE005 Ofc: CGA Title: OFFICE OF SCIENCE SECURITY PROCEDURES

**** Milestones ****

	Planned	End of Survey	Revised	Actual
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Entrance Conference:.....	01-OCT-03		14-APR-04	14-APR-04
Survey:.....				
Draft Report:.....				
Completed (With Report):..	30-SEP-04		22-FEB-05	18-FEB-05 (R)
-----Elapsed Days:	365		314	310
			Elap. Less Susp: 165	

Date Suspended: 01-OCT-04 Date Terminated:
 Date Reactivated: Date Cancelled:
 DaysSuspended(Cur/Tot): 145 (145) Report Number: OAS-L-05-03
Rpt Title: Report Type: LTR LETTER REPORT
 AUDIT OF THE OFFICE OF SCIENCE SECURITY PROCEDURES

**** Audit Codes and Personnel ****

Class: PER PERFORMANCE
 Function: 005 SAFEGUARDS AND SECURITY
 MgtChall: 005 NATIONAL SECURITY (F)
 Site: MSA MULTI-SITE AUDIT AD: 459 COLLARD
 SecMiss: HLD HOMELAND DEFENSE (PE) AIC: 471 RUTT
 PresInit: Not Found Team Ldr: 381 WITTENBURG
 Tech Adv: 84 CROWDER

**** Task Information ****

Task No:
 Task Order Dt: CO Tech. Rep:
 Orig Auth Hrs: Orig Auth Costs:
 Current Auth: Current Auth Cost:
 Tot Actl IPR Hr: Tot Actl Cost:

**** Time Charges ****

<u>Emp/Cont Name</u>	<u>Numdays</u>	<u>Last Date</u>
WITTENBURG, D	3.6	19-FEB-05
NELSON, J	6.1	19-FEB-05
LEWANDOWSKI, R	53.1	25-DEC-04
RUTT, V	149.5	19-FEB-05
BARWATT, T	159.9	05-FEB-05
Total:		372.2

AUDIT DATABASE INFORMATION SHEET

1. Project No.: A04NE005
2. Title of Audit: Audit of the Office of Science Security Procedures
3. Report No./Date: OAS-L-05-03/February 18, 2005
4. Management Challenge Area: 005
5. Presidential Mgmt Initiative: N/A
6. Secretary Priority/Initiative: HLD
7. Program Code: N/A
8. Location/Sites: MSA/AGO, ANL, BNL, BNY, FNL, FSO, HCN, HER, HSA
9. Finding Summary:

At the time of our review, we found that Science had not conducted threat and risk level assessments to address heightened security risks since the events of September 11, 2001. After we completed our site visits, we learned that Science had initiated action to reassess the threat level and risk at their laboratory sites based on the May 2003 DBT guidance. Sites are also in the process of initiating action in response to the new DBT policy issued by the Deputy Secretary in October 2004, that addresses additional threat levels, including those related to biosafety class facilities and toxic industrial chemicals. In light of these recent actions taken by Science and the issuance of the October 2004 policy addressing additional threat levels, we have elected to discontinue this audit.

10. Keywords: Safeguards and Security
Office of Science
Argonne National Laboratory
Brookhaven National Laboratory
Fermi National Accelerator Laboratory
Office of Security
Office of Counterintelligence